

105TH CONGRESS
1ST SESSION

S. 229

To provide for a voluntary system of public financing of Federal elections,
and for other purposes.

IN THE SENATE OF THE UNITED STATES

JANUARY 29, 1997

Mr. BUMPERS (for himself, Mrs. MURRAY, and Mr. WELLSTONE) introduced
the following bill; which was read twice and referred to the Committee
on Finance

A BILL

To provide for a voluntary system of public financing of
Federal elections, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; AMENDMENT OF ELECTION ACT;**

4 **TABLE OF CONTENTS.**

5 (a) SHORT TITLE.—This Act may be cited as the
6 “Public Confidence in Campaigns Act of 1997”.

7 (b) AMENDMENT OF ELECTION ACT.—As used in
8 this Act, the term “FECA” means the Federal Election
9 Campaign Act of 1971 (2 U.S.C. 431 et seq.).

10 (c) TABLE OF CONTENTS.—

Sec. 1. Short title; amendment of Election Act; table of contents.

TITLE I—REFORM OF SENATE CAMPAIGN FINANCING

Subtitle A—Voluntary Congressional Senate Campaign Financing System

Sec. 101. Senate election campaign financing.

Sec. 102. Reporting requirements.

Sec. 103. Reporting requirements for certain independent expenditures.

Subtitle B—Reduction in Limit on PAC Contributions to Senate Candidates

Sec. 111. Reduction in limit on PAC contributions to Senate candidates.

TITLE II—PUBLIC FINANCING SYSTEM

Sec. 201. Increase in current voluntary checkoff system.

Sec. 202. Voluntary contributions to Congressional Election Campaign Fund.

TITLE III—PROVISIONS RELATING TO SOFT MONEY OF POLITICAL PARTIES

Sec. 301. Soft money of political parties.

Sec. 302. State Party Grassroots Funds.

Sec. 303. Reporting requirements.

TITLE IV—PROHIBITION OF CONTRIBUTIONS BY INDIVIDUALS INELIGIBLE TO VOTE

Sec. 401. Prohibition of contributions by individuals ineligible to vote.

TITLE I—REFORM OF SENATE CAMPAIGN FINANCING Subtitle A—Voluntary Congressional Senate Campaign Financing System

SEC. 101. SENATE ELECTION CAMPAIGN FINANCING.

(a) IN GENERAL.—FECA is amended by adding at the end the following new title:

“TITLE V—ELECTION SPENDING LIMITS AND BENEFITS

“TITLE V—ELECTION SPENDING LIMITS AND BENEFITS

“Subtitle A—Senate Election Campaigns

“Sec. 501. Expenditure limitations.

“Sec. 502. Contribution limitations.

“Sec. 503. Eligibility to receive benefits.

“Sec. 504. Benefits eligible candidate entitled to receive.

“Subtitle B—Administrative Provisions

“Sec. 521. Certifications by Commission.

“Sec. 522. Examination and audits; repayments and civil penalties.

“Sec. 523. Judicial review.

“Sec. 524. Reports to Congress; certifications; regulations.

“Sec. 525. Closed captioning requirement for television commercials of eligible candidates.

“Subtitle C—Congressional Election Campaign Fund

“Sec. 531. Establishment and operation of the Fund.

“Sec. 532. Designation of receipts to the Fund.

1 **“Subtitle A—Senate Election** 2 **Campaigns**

3 **“SEC. 501. EXPENDITURE LIMITATIONS.**

4 “(a) IN GENERAL.—An eligible Senate candidate
5 may not make expenditures with respect to any election
6 aggregating more than the limit applicable to the election
7 under subsection (b).

8 “(b) APPLICABLE LIMITS.—For purposes of sub-
9 section (a), except as otherwise provided in this subtitle—

10 “(1) GENERAL ELECTION EXPENDITURE
11 LIMIT.—

12 “(A) IN GENERAL.—The limit for a gen-
13 eral election shall be equal to the lesser of—

14 “(i) \$5,500,000; or

15 “(ii) the greater of—

16 “(I) \$950,000; or

1 “(II) \$400,000, plus an amount
 2 equal to the sum of 30 cents multi-
 3 plied by the voting age population not
 4 in excess of 4,000,000, and 25 cents
 5 multiplied by the voting age popu-
 6 lation in excess of 4,000,000.

7 “(B) SPECIAL RULE WHERE ONLY 1
 8 TRANSMITTER.—In the case of an eligible Sen-
 9 ate candidate in a State which has no more
 10 than 1 transmitter for a commercial Very High
 11 Frequency (VHF) television station licensed to
 12 operate in that State, subclause (II) of para-
 13 graph (1)(B)(ii) shall be applied by substituting
 14 ‘80 cents’ for ‘30 cents’ and ‘70 cents’ for ‘25
 15 cents’.

16 “(2) PRIMARY ELECTION EXPENDITURE
 17 LIMIT.—

18 “(A) IN GENERAL.—Except as provided in
 19 subparagraph (B), the limit for a primary elec-
 20 tion is an amount equal to 60 percent of the
 21 general election expenditure limit under para-
 22 graph (1).

23 “(B) CERTAIN PRIMARY ELECTIONS
 24 TREATED AS GENERAL ELECTIONS.—If a pri-
 25 mary election may result in the election of a

1 person to a Federal office, the limit for the elec-
 2 tion is the general election expenditure limit
 3 under paragraph (1).

4 “(3) RUNOFF ELECTION EXPENDITURE
 5 LIMIT.—The limit for a runoff election is an amount
 6 equal to 30 percent of the general election expendi-
 7 ture limit under paragraph (1).

8 “(c) PAYMENT OF TAXES.—The limitations under
 9 subsection (b) shall not apply to any expenditure for Fed-
 10 eral, State, or local taxes with respect to earnings on con-
 11 tributions raised.

12 “(d) EXCEPTIONS FOR COMPLYING CANDIDATES
 13 RUNNING AGAINST NONCOMPLYING CANDIDATES.—

14 “(1) EXCESSIVE CONTRIBUTIONS TO, OR PER-
 15 SONAL EXPENDITURES BY, OPPOSING CANDIDATE.—

16 “(A) 10 PERCENT EXCESS.—If any oppo-
 17 nent of an eligible Senate candidate is a non-
 18 eligible candidate who—

19 “(i) has received contributions; or

20 “(ii) has made expenditures from a
 21 source described in section 502(a);

22 in an aggregate amount equal to 110 percent of
 23 the general election expenditure limit, primary
 24 election expenditure limit, or runoff election ex-
 25 penditure limit applicable to the eligible Senate

candidate, the general election expenditure limit, primary election expenditure limit, or runoff election expenditure limit (as the case may be) applicable to the eligible Senate candidate shall be increased by 20 percent.

“(B) 50 PERCENT EXCESS.—If any opponent of an eligible Senate candidate is a non-eligible candidate who—

“(i) has received contributions; or

“(ii) has made expenditures from a source described in section 502(a);

in an aggregate amount equal to 150 percent of the general election expenditure limit, primary election expenditure limit, or runoff election expenditure limit applicable to the eligible Senate candidate, the general election expenditure limit, primary election expenditure limit, or runoff election expenditure limit (as the case may be) applicable to the eligible Senate candidate (without regard to subparagraph (A)) shall be increased by 50 percent.

“(C) 100 PERCENT EXCESS.—If any opponent of an eligible Senate candidate is a non-eligible candidate who—

“(i) has received contributions; or

1 “(ii) has made expenditures from a
2 source described in section 502(a);
3 in an aggregate amount equal to 200 percent of
4 the general election expenditure limit, primary
5 election expenditure limit, or runoff election ex-
6 penditure limit applicable to the eligible Senate
7 candidate, the general election expenditure
8 limit, primary election expenditure limit, or
9 runoff election expenditure limit (as the case
10 may be) applicable to the eligible Senate can-
11 didate (without regard to subparagraph (A) or
12 (B)) shall be increased by 100 percent.

13 “(2) REVOCATION OF ELIGIBILITY OF OPPO-
14 NENT.—If the status of eligible Senate candidate of
15 any opponent of an eligible Senate candidate is re-
16 voked under this title, the general election expendi-
17 ture limit applicable to the eligible Senate candidate
18 shall be increased by 20 percent.

19 “(e) EXPENDITURES IN RESPONSE TO INDEPEND-
20 ENT EXPENDITURES.—If an eligible Senate candidate is
21 notified by the Commission under section 304(c)(4) that
22 independent expenditures totaling at least \$1,000 or more
23 have been made in the same election in favor of another
24 candidate or against the eligible candidate, the eligible
25 candidate shall be permitted to spend an amount equal

1 to the amount of the independent expenditures, and any
 2 such expenditures shall not be subject to any limit applica-
 3 ble under this title to the eligible candidate for the elec-
 4 tion.

5 **“SEC. 502. CONTRIBUTION LIMITATIONS.**

6 “(a) PERSONAL CONTRIBUTIONS.—

7 “(1) IN GENERAL.—An eligible Senate can-
 8 didate may not, with respect to an election cycle,
 9 make contributions or loans to his or her own cam-
 10 paign from personal funds totaling more than
 11 \$10,000.

12 “(2) AGGREGATION.—For purposes of para-
 13 graph (1), any contribution or loan to a candidate’s
 14 campaign by a member of the candidate’s immediate
 15 family shall be treated as made by the candidate.

16 “(b) AGGREGATE CONTRIBUTIONS.—

17 “(1) GENERAL ELECTION.—An eligible Senate
 18 candidate may not solicit or receive contributions
 19 with respect to a general election.

20 “(2) PRIMARY AND RUNOFF ELECTIONS.—An
 21 eligible Senate candidate may, subject to any limits,
 22 prohibitions, or other requirements of this Act, re-
 23 ceive contributions with respect to a primary or run-
 24 off election equal to an amount not greater than 50
 25 percent of the applicable limit for the election under

1 section 501 (determined without regard to sub-
2 section (d) or (e) thereof).

3 **“SEC. 503. ELIGIBILITY TO RECEIVE BENEFITS.**

4 “(a) IN GENERAL.—For purposes of this subtitle, a
5 candidate is an eligible Senate candidate if the can-
6 didate—

7 “(1) meets the filing requirements of subsection
8 (b);

9 “(2) meets, and continues to meet, the expendi-
10 ture and contribution limits of sections 501 and 502;
11 and

12 “(3) in the case of a primary election, meets
13 the threshold contribution requirements of sub-
14 section (c).

15 “(b) FILING REQUIREMENTS.—

16 “(1) PRIMARY.—The requirements of this sub-
17 section are met with respect to a primary election if,
18 not later than the date the candidate files as a can-
19 didate for the election with the appropriate State
20 election official (or, if earlier, not later than 30 days
21 before the election), the candidate files with the Sec-
22 retary of the Senate a declaration that—

23 “(A) the candidate will meet the expendi-
24 ture and contribution limits of this subtitle;

1 “(B) the candidate will not accept any con-
 2 tributions in violation of section 315; and

3 “(C) the candidate will meet requirements
 4 similar to the requirements of clauses (ii), (iii),
 5 (iv), (v), (vi), and (vii) of paragraph (2)(A).

6 “(2) GENERAL ELECTION.—

7 “(A) IN GENERAL.—The requirements of
 8 this subsection are met with respect to a gen-
 9 eral election if the candidate certifies, under
 10 penalty of perjury, to the Secretary of the Sen-
 11 ate that—

12 “(i) the candidate has met the ex-
 13 penditure and contribution limits of this
 14 subtitle with respect to any primary or
 15 runoff election and will meet such limits
 16 for the general election;

17 “(ii) at least one other candidate has
 18 qualified for the same general election bal-
 19 lot under the law of the State involved;

20 “(iii) the candidate will deposit all
 21 payments received under this subtitle in an
 22 account insured by the Federal Deposit In-
 23 surance Corporation from which funds may
 24 be withdrawn by check or similar means of
 25 payment to third parties;

1 “(iv) the candidate will furnish cam-
2 paign records, evidence of contributions,
3 and other appropriate information to the
4 Commission;

5 “(v) the candidate will cooperate in
6 the case of any audit and examination by
7 the Commission under section 522 and will
8 pay any amounts required to be paid under
9 that section;

10 “(vi) the candidate will meet the
11 closed captioning requirements of section
12 525; and

13 “(vii) the candidate intends to make
14 use of the benefits provided under section
15 504.

16 “(B) TIME FOR FILING.—The certification
17 under subparagraph (A) shall be filed not later
18 than 7 days after the earlier of—

19 “(i) the date the candidate qualifies
20 for the general election ballot under State
21 law; or

22 “(ii) if, under State law, a primary or
23 runoff election to qualify for the general
24 election ballot occurs after September 1,

1 the date the candidate wins the primary or
2 runoff election.

3 “(c) THRESHOLD CONTRIBUTION REQUIREMENTS.—

4 “(1) IN GENERAL.—The requirements of this
5 subsection are met if the candidate and the can-
6 didate’s authorized committees have received allow-
7 able contributions during the applicable period in an
8 amount not less than \$25,000.

9 “(2) ONLY \$100 CONTRIBUTIONS TAKEN INTO
10 ACCOUNT.—Allowable contributions of an individual
11 shall not be taken into account under paragraph (1)
12 to the extent such contributions exceed \$100.

13 “(3) DEFINITIONS.—In this subsection:

14 “(A) ALLOWABLE CONTRIBUTION.—The
15 term ‘allowable contribution’ means a contribu-
16 tion that is made as a gift of money by an indi-
17 vidual pursuant to a written instrument identi-
18 fying the individual as the contributor.

19 “(B) APPLICABLE PERIOD.—The term ‘ap-
20 plicable period’ means the period beginning on
21 January 1 of the calendar year preceding the
22 calendar year of the general election involved
23 and ending on the date on which the certifi-
24 cation under subsection (b)(1) is filed by the
25 candidate.

1 **“SEC. 504. BENEFITS ELIGIBLE CANDIDATE ENTITLED TO**
2 **RECEIVE.**

3 “(a) IN GENERAL.—An eligible Senate candidate
4 shall be entitled to payments from the Congressional Elec-
5 tion Campaign Fund in an amount equal to—

6 “(1) in the case of a general election, an
7 amount equal to the general election expenditure
8 limit applicable to the candidate under section 501,
9 and

10 “(2) in the case of a primary or runoff election,
11 an amount equal to the sum of—

12 “(A) the amount of contributions received
13 by the candidate with respect to the election not
14 in excess of the limitation under section 502(b),
15 plus

16 “(B) the amount of any increases in the
17 applicable limit for such election by reason of
18 subsections (d) and (e) of section 501 (relating
19 to opponents exceeding limits and independent
20 expenditures).

21 “(b) USE OF PAYMENTS.—Payments received by a
22 candidate under subsection (a) shall be used to defray ex-
23 penditures incurred with respect to the applicable election
24 period for the candidate.

1 **“Subtitle B—Administrative**
 2 **Provisions**

3 **“SEC. 521. CERTIFICATIONS BY COMMISSION.**

4 “(a) GENERAL ELIGIBILITY.—The Commission shall
 5 determine whether a candidate is eligible to receive bene-
 6 fits under subtitle A. The initial determination shall be
 7 based on the candidate’s filings under this title. Any sub-
 8 sequent determination shall be based on relevant addi-
 9 tional information submitted in such form and manner as
 10 the Commission may require.

11 “(b) CERTIFICATION OF BENEFITS.—

12 “(1) IN GENERAL.—Not later than 5 business
 13 days after an eligible Senate candidate files a re-
 14 quest with the Secretary of the Senate to receive
 15 benefits under section 504, the Commission shall
 16 certify eligibility for, and the amount of, such bene-
 17 fits.

18 “(2) REQUESTS.—Any request for payments
 19 under paragraph (1) shall contain—

20 “(A) such information and be made in ac-
 21 cordance with such procedures as the Commis-
 22 sion may provide by regulation; and

23 “(B) a verification signed by the candidate
 24 and the treasurer of the principal campaign

1 committee of such candidate stating that the in-
 2 formation furnished in support of the request,
 3 to the best of their knowledge, is correct and
 4 fully satisfies the requirement of this title.

5 “(3) PARTIAL CERTIFICATION.—If the Commis-
 6 sion determines that any portion of a request does
 7 not meet the requirement for certification, the Com-
 8 mission shall withhold the certification for that por-
 9 tion only and inform the candidate as to how the re-
 10 quest may be corrected.

11 “(4) CERTIFICATION WITHHELD.—The Com-
 12 mission may withhold certification if it determines
 13 that a candidate who is otherwise eligible has en-
 14 gaged in a pattern of activity indicating that the
 15 candidate’s filings under this title cannot be relied
 16 upon.

17 **“SEC. 522. EXAMINATION AND AUDITS; REPAYMENTS AND**
 18 **CIVIL PENALTIES.**

19 “(a) EXAMINATIONS AND AUDITS.—

20 “(1) GENERAL ELECTIONS.—After each general
 21 election, the Commission shall conduct an examina-
 22 tion and audit of the campaign accounts of 5 per-
 23 cent of the eligible Senate candidates, as designated

1 by the Commission through the use of an appro-
2 priate statistical method of random selection, to de-
3 termine whether such candidates have complied with
4 the conditions of eligibility and other requirements
5 of this title. The Commission shall conduct an exam-
6 ination and audit of the accounts of all candidates
7 for election to an office where any eligible candidate
8 for the office is selected for examination and audit.

9 “(2) SPECIAL ELECTION.—After each special
10 election involving an eligible candidate, the Commis-
11 sion shall conduct an examination and audit of the
12 campaign accounts of all candidates in the election
13 to determine whether the candidates have complied
14 with the conditions of eligibility and other require-
15 ments of this Act.

16 “(3) AFFIRMATIVE VOTE.—The Commission
17 may conduct an examination and audit of the cam-
18 paign accounts of any eligible Senate candidate in a
19 general election if the Commission determines that
20 there exists reason to believe whether such candidate
21 may have violated any provision of this title.

22 “(b) REPAYMENTS.—

23 “(1) IN GENERAL.—If the Commission deter-
24 mines that any amount of a payment to a candidate

1 under this title was in excess of the aggregate pay-
 2 ments to which such candidate was entitled, or was
 3 not used as provided for in this title, the Commis-
 4 sion shall so notify such candidate, and such can-
 5 didate shall pay the amount of such payment.

6 “(2) EXCESS EXPENDITURES OF CAN-
 7 DIDATES.—If the Commission determines that any
 8 eligible candidate who has received benefits under
 9 this title has made expenditures in excess of any
 10 limit under subtitle A, the Commission shall notify
 11 the candidate and the candidate shall pay the
 12 amount of the excess.

13 “(c) CIVIL PENALTIES.—

14 “(1) EXCESS EXPENDITURES.—

15 “(A) LOW AMOUNT OF EXCESS EXPENDI-
 16 TURES.—Any eligible Senate candidate who
 17 makes expenditures that exceed a limitation
 18 under subtitle A by 2.5 percent or less shall pay
 19 to the Commission an amount equal to the
 20 amount of the excess expenditures.

21 “(B) MEDIUM AMOUNT OF EXCESS EX-
 22 PENDITURES.—Any eligible Senate candidate
 23 who makes expenditures that exceed a limita-
 24 tion under subtitle A by more than 2.5 percent

1 and less than 5 percent shall pay to the Com-
 2 mission an amount equal to three times the
 3 amount of the excess expenditures.

4 “(C) LARGE AMOUNT OF EXCESS EXPEND-
 5 ITURES.—Any eligible Senate candidate who
 6 makes expenditures that exceed a limitation
 7 under subtitle A by 5 percent or more shall pay
 8 to the Commission an amount equal to three
 9 times the amount of the excess expenditures
 10 plus, if the Commission determines such excess
 11 expenditures were willful, a civil penalty in an
 12 amount determined by the Commission.

13 “(2) MISUSED FUNDS OF CANDIDATES.—If the
 14 Commission determines that an eligible Senate can-
 15 didate used any amount received under this title in
 16 a manner not provided for in this title, the Commis-
 17 sion may assess a civil penalty against such can-
 18 didate in an amount not greater than 200 percent
 19 of the amount involved.

20 “(d) UNEXPENDED FUNDS.—Any amount received
 21 by an eligible Senate candidate under this title and not
 22 expended on or before the date of the general election shall
 23 be repaid within 30 days of the election, except that a rea-
 24 sonable amount may be retained for a period not exceeding

1 120 days after the date of the general election for the liq-
 2 uidation of all obligations to pay expenditures for the gen-
 3 eral election incurred during the general election period.
 4 At the end of such 120-day period, any unexpended funds
 5 received under this title shall be promptly repaid.

6 “(e) LIMIT ON PERIOD FOR NOTIFICATION.—No no-
 7 tification shall be made by the Commission under this sec-
 8 tion with respect to an election more than 3 years after
 9 the date of such election.

10 **“SEC. 523. JUDICIAL REVIEW.**

11 “(a) JUDICIAL REVIEW.—Any agency action by the
 12 Commission made under the provisions of this title shall
 13 be subject to review by the United States Court of Appeals
 14 for the District of Columbia Circuit upon petition filed in
 15 such court within 30 days after the agency action by the
 16 Commission for which review is sought. It shall be the
 17 duty of the Court of Appeals, ahead of all matters not
 18 filed under this title, to advance on the docket and expedi-
 19 tiously take action on all petitions filed pursuant to this
 20 title.

21 “(b) APPLICATION OF TITLE 5.—The provisions of
 22 chapter 7 of title 5, United States Code, shall apply to
 23 judicial review of any agency action by the Commission.

1 “(c) AGENCY ACTION.—For purposes of this section,
 2 the term ‘agency action’ has the meaning given such term
 3 by section 551(13) of title 5, United States Code.

4 **“SEC. 524. REPORTS TO CONGRESS; CERTIFICATIONS; REG-**
 5 **ULATIONS.**

6 “(a) REPORTS.—The Commission shall, as soon as
 7 practicable after each election, submit a full report to the
 8 Senate and House of Representatives setting forth—

9 “(1) the expenditures (shown in such detail as
 10 the Commission determines appropriate) made by
 11 each eligible candidate and the authorized commit-
 12 tees of such candidate;

13 “(2) the amounts of benefits certified by the
 14 Commission as available to each eligible candidate
 15 under this title; and

16 “(3) the amount of repayments, if any, required
 17 under section 522, and the reasons for each repay-
 18 ment required.

19 “(b) DETERMINATIONS BY COMMISSION.—Subject to
 20 sections 522 and 523, all determinations (including certifi-
 21 cations under section 521) made by the Commission under
 22 this title shall be final and conclusive.

23 “(c) RULES AND REGULATIONS.—The Commission is
 24 authorized to prescribe such rules and regulations, in ac-
 25 cordance with the provisions of subsection (d), to conduct

1 such audits, examinations and investigations, and to re-
 2 quire the keeping and submission of such books, records,
 3 and information, as it deems necessary to carry out the
 4 functions and duties imposed on it by this title.

5 “(d) REPORT OF PROPOSED REGULATIONS.—The
 6 Commission shall submit to the House of Representatives
 7 and to the Senate a report containing a detailed expla-
 8 nation and justification of each rule and regulation of the
 9 Commission under this title. No such rule, regulation, or
 10 form may take effect until a period of 30 calendar days
 11 has elapsed after the report is received. As used in this
 12 subsection, the terms ‘rule’ and ‘regulation’ mean a provi-
 13 sion or series of interrelated provisions stating a single,
 14 separable rule of law.

15 **“SEC. 525. CLOSED CAPTIONING REQUIREMENT FOR TELE-**
 16 **VISION COMMERCIALS OF ELIGIBLE CAN-**
 17 **DIDATES.**

18 “No eligible Senate candidate may receive amounts
 19 under subtitle A unless such candidate has certified that
 20 any television commercial prepared or distributed by the
 21 candidate will be prepared in a manner that contains, is
 22 accompanied by, or otherwise readily permits closed cap-
 23 tioning of the oral content of the commercial to be broad-
 24 cast by way of line 21 of the vertical blanking interval,
 25 or by way of comparable successor technologies.

1 **“Subtitle C—Congressional**
2 **Election Campaign Fund**

3 **“SEC. 531. ESTABLISHMENT AND OPERATION OF THE FUND.**

4 “(a) IN GENERAL.—There is hereby established on
5 the books of the Treasury of the United States a special
6 fund to be known as the Congressional Election Campaign
7 Fund (hereafter in this title referred to as the ‘Fund’).
8 The amounts designated for the Fund shall remain avail-
9 able without fiscal year limitation for purposes of provid-
10 ing benefits under this title and making expenditures for
11 the administration of the Fund. The Secretary shall main-
12 tain such accounts in the Fund as may be required by
13 this title or which the Secretary determines to be nec-
14 essary to carry out the provisions of this title.

15 “(b) PAYMENTS UPON CERTIFICATION.—Upon re-
16 ceipt of a certification from the Commission under section
17 521, except as provided in subsection (c), the Secretary
18 shall issue within 48 hours to an eligible candidate the
19 amount of payments certified by the Commission to the
20 eligible candidate out of the Fund.

21 “(c) REDUCTIONS IN PAYMENTS IF FUNDS INSUFFI-
22 CIENT.—

1 “(1) IN GENERAL.—If, at the time of a certifi-
 2 cation by the Commission under section 521 for pay-
 3 ment to an eligible candidate, the Secretary deter-
 4 mines that the monies in the Fund are not, or may
 5 not be, sufficient to satisfy the full entitlement of all
 6 eligible candidates, the Secretary shall withhold from
 7 the amount of such payment such amount as the
 8 Secretary determines to be necessary to assure that
 9 each eligible candidate will receive the same pro rata
 10 share of such candidate’s full entitlement.

11 “(2) PAYMENT UPON FINDING OF SUFFICIENT
 12 MONIES.—Amounts withheld under paragraph (1)
 13 shall be paid during the same election cycle when the
 14 Secretary determines that there are sufficient mon-
 15 ies in the Fund to pay all, or a portion thereof, to
 16 all eligible candidates from whom amounts have been
 17 withheld, except that if only a portion is to be paid,
 18 it shall be paid in such manner that each eligible
 19 candidate receives an equal pro rata share of such
 20 portion.

21 “(3) ESTIMATES.—

22 “(A) IN GENERAL.—Not later than March
 23 31 of any calendar year in which there is a reg-
 24 ularly scheduled general election, the Secretary,

1 after consultation with the Commission, shall
2 make an estimate of—

3 “(i) the amount of monies in the
4 Fund which will be available to make pay-
5 ments required by this title in the succeed-
6 ing calendar year, taking into account the
7 amounts estimated to be transferred to the
8 Fund during the calendar year of the elec-
9 tion; and

10 “(ii) the amount of expenditures
11 which will be required under this title in
12 such calendar year.

13 “(B) NOTICE OF ESTIMATED REDUC-
14 TION.—If the Secretary determines that there
15 will be insufficient monies in the Fund to make
16 the expenditures required by this title for any
17 calendar year, the Secretary shall notify each
18 candidate on April 30 of such calendar year (or,
19 if later, the date on which an individual be-
20 comes a candidate) of the amount which the
21 Secretary estimates will be the pro rata reduc-
22 tion in each eligible candidate’s payments under
23 this subsection. Such notice shall be by reg-
24 istered mail.

1 “(d) NOTIFICATION.—The Secretary shall notify the
 2 Commission and each eligible candidate by registered mail
 3 of any reduction of any payment by reason of
 4 subsection (c).

5 **“SEC. 532. DESIGNATION OF RECEIPTS TO THE FUND.**

6 “(a) APPROPRIATION.—There are hereby appro-
 7 priated to the Fund the following amounts:

8 “(1) DESIGNATED AMOUNTS.—Amounts des-
 9 ignated to the Fund under sections 6096(a)(2) and
 10 6097 of the Internal Revenue Code of 1986.

11 “(2) PAYMENTS AND PENALTIES.—Payments
 12 and civil penalties received by the Commission under
 13 section 522.

14 “(b) AUTHORIZATION OF APPROPRIATIONS.—These
 15 are authorized to be appropriated for each fiscal year to
 16 the Fund the excess (if any) of—

17 “(1) the aggregate payments required to be
 18 made from the Fund under this title for the fiscal
 19 year, over

20 “(2) the sum of the balance in the Fund as of
 21 the close of the preceding fiscal year plus amounts
 22 paid into the Fund under subsection (a).”

23 (b) EFFECTIVE DATE.—The amendments made by
 24 this section shall apply to elections occurring after Decem-
 25 ber 31, 1998.

1 **SEC. 102. REPORTING REQUIREMENTS.**

2 Title III of FECA is amended by adding after section
3 304 the following new sections:

4 “REPORTING REQUIREMENTS FOR SENATE CANDIDATES

5 “SEC. 304A. (a) CANDIDATE OTHER THAN ELIGI-
6 BLE SENATE CANDIDATE.—(1) Each candidate for the of-
7 fice of United States Senator who does not file a certifi-
8 cation with the Secretary of the Senate under section
9 503(b)(2) shall file with the Secretary of the Senate a dec-
10 laration as to whether such candidate intends to make ex-
11 penditures for any primary, runoff, or general election in
12 excess of the expenditure limit applicable to an eligible
13 Senate candidate under section 501. Such declaration
14 shall be filed at the time provided in section 503(b)(2)(B).

15 “(2) Any candidate for the United States Senate who
16 qualifies for the ballot for a general election—

17 “(A) who is not an eligible Senate candidate
18 under section 503; and

19 “(B) who either raises aggregate contributions,
20 or makes or obligates to make aggregate expendi-
21 tures, for any primary, runoff, or general election
22 which exceed 75 percent of the expenditure limit ap-
23 plicable to an eligible Senate candidate under section
24 501,

25 shall file a report with the Secretary of the Senate within
26 2 business days after such contributions have been raised

1 or such expenditures have been made or obligated to be
2 made (or, if later, within 2 business days after the date
3 of qualification for the general election ballot), setting
4 forth the candidate's total contributions and total expendi-
5 tures for such election as of such date. Thereafter, such
6 candidate shall file additional reports (until such contribu-
7 tions or expenditures exceed 200 percent of such limit)
8 with the Secretary of the Senate within 2 business days
9 after each time additional contributions are raised, or ex-
10 penditures are made or are obligated to be made, which
11 in the aggregate exceed an amount equal to 10 percent
12 of such limit and after the total contributions or expendi-
13 tures exceed 100, 120, 140, 160, 180, and 200 percent
14 of such limit.

15 “(3) The Commission—

16 “(A) shall, within 2 business days of receipt of
17 a declaration or report under paragraph (1) or (2),
18 notify each eligible Senate candidate in the election
19 involved about such declaration or report; and

20 “(B) if an opposing candidate has raised aggre-
21 gate contributions, or made or has obligated to make
22 aggregate expenditures, in excess of the applicable
23 election expenditure limit under section 501, shall
24 certify, pursuant to the provisions of subsection (d),
25 such eligibility for payment of any amount to which

1 such eligible Senate candidate is entitled under sec-
2 tion 504(a).

3 “(4) Notwithstanding the reporting requirements
4 under this subsection, the Commission may make its own
5 determination that a candidate in a general election who
6 is not an eligible Senate candidate has raised aggregate
7 contributions, or made or has obligated to make aggregate
8 expenditures, in the amounts which would require a report
9 under paragraph (2). The Commission shall, within 2
10 business days after making each such determination, no-
11 tify each eligible Senate candidate in the election involved
12 about such determination, and shall, when such contribu-
13 tions or expenditures exceed the election expenditure limit
14 under section 501, certify (pursuant to the provisions of
15 subsection (d)) such candidate’s eligibility for payment of
16 any amount under section 504(a).

17 “(b) REPORTS ON PERSONAL FUNDS.—(1) Any can-
18 didate for the United States Senate who during the elec-
19 tion cycle expends more than the limitation under section
20 502 during the election cycle from his personal funds, the
21 funds of his immediate family, and personal loans incurred
22 by the candidate and the candidate’s immediate family
23 shall file a report with the Secretary of the Senate within
24 2 business days after such expenditures have been made
25 or loans incurred.

1 “(2) The Commission within 2 business days after
2 a report has been filed under paragraph (1) shall notify
3 each eligible Senate candidate in the election involved
4 about each such report.

5 “(3) Notwithstanding the reporting requirements
6 under this subsection, the Commission may make its own
7 determination that a candidate for the United States Sen-
8 ate has made expenditures in excess of the amount under
9 paragraph (1). The Commission within 2 business days
10 after making such determination shall notify each eligible
11 Senate candidate in the general election involved about
12 each such determination.

13 “(c) CERTIFICATIONS.—Notwithstanding section
14 521(a), the certification required by this section shall be
15 made by the Commission on the basis of reports filed in
16 accordance with the provisions of this Act, or on the basis
17 of the Commission’s own investigation or determination.

18 “(d) SHORTER PERIODS FOR REPORTS AND NOTICES
19 DURING ELECTION WEEK.—Any report, determination,
20 or notice required by reason of an event occurring during
21 the 7-day period ending with the general election shall be
22 made within 24 hours (rather than 2 business days) of
23 the event.

24 “(e) COPIES OF REPORTS AND PUBLIC INSPEC-
25 TION.—The Secretary of the Senate shall transmit a copy

1 of any report or filing received under this section or under
 2 subtitle A of title V as soon as possible (but no later than
 3 4 working hours of the Commission) after receipt of such
 4 report or filing, and shall make such report or filing avail-
 5 able for public inspection and copying in the same manner
 6 as the Commission under section 311(a)(4), and shall pre-
 7 serve such reports and filings in the same manner as the
 8 Commission under section 311(a)(5).

9 “(f) DEFINITIONS.—For purposes of this section, any
 10 term used in this section which is used in title V shall
 11 have the same meaning as when used in title V.”

12 **SEC. 103. REPORTING REQUIREMENTS FOR CERTAIN INDE-**
 13 **PENDENT EXPENDITURES.**

14 Section 304(c) of FECA (2 U.S.C. 434(c)) is amend-
 15 ed—

16 (1) in paragraph (2), by striking the undesig-
 17 nated matter after subparagraph (C);

18 (2) by redesignating paragraph (3) as para-
 19 graph (8); and

20 (3) by inserting after paragraph (2), as amend-
 21 ed by paragraph (1), the following new paragraphs:

22 “(3)(A) Any person (including a political committee)
 23 making, obligating to make, or intending to make inde-
 24 pendent expenditures (including those described in sub-
 25 section (b)(6)(B)(iii)) with respect to a candidate in an

1 election aggregating \$1,000 or more shall file a report
2 within 24 hours after the date on which such person takes
3 such action. An additional report shall be filed each time
4 the person makes, obligates to make, or intends to make
5 independent expenditures aggregating \$1,000 or more are
6 made with respect to the same candidate after the latest
7 report filed under this subparagraph.

8 “(B) A report under subparagraph (A) shall be filed
9 with the Clerk of the House of Representatives, the Sec-
10 retary of the Senate, or the Commission, whichever is ap-
11 plicable, and the Secretary of State of the State involved,
12 and shall identify each candidate whom the expenditure
13 is actually intended to support or to oppose. The Clerk
14 of the House of Representatives and the Secretary of the
15 Senate shall as soon as possible (but not later than 4
16 working hours of the Commission) after receipt of a report
17 transmit it to the Commission. Not later than 2 business
18 days after the Commission receives a report, the Commis-
19 sion shall transmit a copy of the report to each candidate
20 seeking nomination or election to that office.

21 “(4) The Commission may, upon a request of a can-
22 didate or on its own initiative, make its own determination
23 that a person has made, has incurred obligations to make,
24 or intends to make independent expenditures with respect
25 to any candidate in any election which in the aggregate

1 exceed the applicable amounts under paragraph (3). The
2 Commission shall notify each candidate in such election
3 of such determination within 2 business days after making
4 it. Any determination made at the request of a candidate
5 shall be made within 48 hours of the request.

6 “(5) At the time at which an eligible Senate can-
7 didate is notified under paragraph (3) or (4) with respect
8 to expenditures during a general election period, the Com-
9 mission shall certify eligibility to receive benefits under
10 section 504.

11 “(6) The Clerk of the House of Representatives and
12 the Secretary of the Senate shall make any report received
13 under this subsection available for public inspection and
14 copying in the same manner as the Commission under sec-
15 tion 311(a)(4), and shall preserve such statements in the
16 same manner as the Commission under section 311(a)(5).

17 “(7)(A) A person that makes a reservation of broad-
18 cast time to which section 315(a) of the Communications
19 Act of 1947 (47 U.S.C. 315(a)) applies, the payment for
20 which would constitute an independent expenditure, shall
21 at the time of the reservation—

22 “(i) inform the broadcast licensee that payment
23 for the broadcast time will constitute an independent
24 expenditure;

1 “(ii) inform the broadcast licensee of the names
 2 of all candidates for the office to which the proposed
 3 broadcast relates and state whether the message to
 4 be broadcast is intended to be made in support of
 5 or in opposition to each such candidate; and

6 “(iii) provide the broadcast licensee a copy of
 7 the report described in paragraph (3).

8 “(B) For purposes of this paragraph, the term
 9 ‘broadcast’ includes any cablecast.”

10 **Subtitle B—Reduction in Limit on**
 11 **PAC Contributions to Senate**
 12 **Candidates**

13 **SEC. 111. REDUCTION IN LIMIT ON PAC CONTRIBUTIONS**
 14 **TO SENATE CANDIDATES.**

15 Section 315(a)(2)(A) of FECA (2 U.S.C.
 16 441a(a)(2)(A)) is amended to read as follows:

17 “(A) to any candidate and the candidate’s
 18 authorized political committees with respect
 19 to—

20 “(i) any election for Federal office
 21 (other than United States Senator) which,
 22 in the aggregate, exceed \$5,000, or

23 “(ii) any election for the office of
 24 United States Senator which, in the aggre-
 25 gate, exceed \$2,000.”

1 **TITLE II—PUBLIC FINANCING**
 2 **SYSTEM**

3 **SEC. 201. INCREASE IN CURRENT VOLUNTARY CHECKOFF**
 4 **SYSTEM.**

5 (a) IN GENERAL.—Section 6096(a) of the Internal
 6 Revenue Code of 1986 (relating to designation by individ-
 7 uals) is amended to read as follows:

8 “(a) IN GENERAL.—Every individual (other than a
 9 nonresident alien) whose income tax liability for the tax-
 10 able year is \$10 or more may designate that \$10 shall
 11 be paid over to the Federal election campaign funds as
 12 follows:

13 “(1) \$3 to the Presidential Election Campaign
 14 Fund in accordance with the provisions of section
 15 9006(a).

16 “(2) \$7 to the Congressional Election Cam-
 17 paign Fund in accordance with the provisions of
 18 subtitle C of title V of the Federal Election Cam-
 19 paign Act of 1971.

20 In the case of a joint return of a husband and wife having
 21 an income tax liability of \$20 or more, each spouse may
 22 designate that \$10 shall be paid as provided in the preced-
 23 ing sentence.”

1 (b) CONFORMING AMENDMENT.—Section 9006(a) is
 2 amended by striking “section 6096” and inserting “sec-
 3 tion 6096(a)(1)”.

4 (c) EFFECTIVE DATE.—The amendments made by
 5 this section shall apply to taxable years beginning after
 6 December 31, 1996.

7 **SEC. 202. VOLUNTARY CONTRIBUTIONS TO CONGRES-**
 8 **SIONAL ELECTION CAMPAIGN FUND.**

9 (a) GENERAL RULE.—Part VIII of subchapter A of
 10 chapter 61 of the Internal Revenue Code of 1986 (relating
 11 to returns and records) is amended by adding at the end
 12 the following:

13 **“Subpart B—Designation of Additional Amounts to**
 14 **Congressional Election Campaign Fund**

“Sec. 6097. Designation of additional amounts.

15 **“SEC. 6097. DESIGNATION OF ADDITIONAL AMOUNTS.**

16 “(a) GENERAL RULE.—Every individual (other than
 17 a nonresident alien) who files an income tax return for
 18 any taxable year may designate an additional amount
 19 which is not less than \$1 and not more than \$5,000 to
 20 be paid over to the Congressional Election Campaign
 21 Fund established under subtitle C of title V of the Federal
 22 Election Campaign Act of 1971.

23 “(b) MANNER AND TIME OF DESIGNATION.—A des-
 24 ignation under subsection (a) may be made for any taxable

1 year only at the time of filing the income tax return for
 2 the taxable year. Such designation shall be made on the
 3 page bearing the taxpayer's signature.

4 “(c) TREATMENT OF ADDITIONAL AMOUNTS.—Any
 5 additional amount designated under subsection (a) for any
 6 taxable year shall, for all purposes of law, be treated as
 7 an additional income tax imposed by chapter 1 for such
 8 taxable year.

9 “(d) INCOME TAX RETURN.—For purposes of this
 10 section, the term ‘income tax return’ means the return of
 11 the tax imposed by chapter 1.”

12 (b) DEDUCTIBILITY OF CONTRIBUTIONS.—

13 (1) IN GENERAL.—Part VII of subchapter B of
 14 chapter 1 of the Internal Revenue Code of 1986 (re-
 15 lating to additional itemized deductions for individ-
 16 uals) is amended by redesignating section 221 as
 17 section 222 and by inserting after section 220 the
 18 following new section:

19 **“SEC. 221. CONTRIBUTIONS TO CONGRESSIONAL ELECTION**
 20 **CAMPAIGN FUND.**

21 “There shall be allowed as a deduction for any tax-
 22 able year an amount equal to the lesser of—

23 “(1) the amount designated on the income tax
 24 return for the taxable year under section 6097(a), or

25 “(2) \$100 (\$200 in the case of a joint return).”

1 (2) ABOVE-THE-LINE DEDUCTION.—Section
2 62(a) of such Code is amended by adding after para-
3 graph (16) the following new paragraph:

4 “(17) CONGRESSIONAL CAMPAIGN FUND CON-
5 TRIBUTIONS.—The deduction allowed by section
6 221.”

7 (c) CONFORMING AMENDMENTS.—

8 (1) Part VIII of subchapter A of chapter 61 of
9 such Code is amended by striking the heading and
10 inserting:

11 **“PART VIII—DESIGNATION OF AMOUNTS TO**
12 **ELECTION CAMPAIGN FUNDS**

 “Subpart A. Federal Election Campaign Funds.

 “Subpart B. Designation of additional amounts to Congressional
 Election Campaign Fund.

13 **“Subpart A—Federal Election Campaign Funds”.**

14 (2) The table of parts for subchapter A of chap-
15 ter 61 of such Code is amended by striking the item
16 relating to part VIII and inserting:

 “Part VIII. Designation of amounts to election campaign funds.”

17 (3) The table of sections for part VII of sub-
18 chapter B of chapter 1 of such Code is amended by
19 striking the item relating to section 221 and insert-
20 ing:

 “Sec. 221. Contributions to Congressional Election Campaign
 Fund.

 “Sec. 222. Cross reference.”

1 (d) EFFECTIVE DATE.—The amendments made by
 2 this subsection shall apply to taxable years beginning after
 3 December 31, 1996.

4 **TITLE III—PROVISIONS RELAT-**
 5 **ING TO SOFT MONEY OF PO-**
 6 **LITICAL PARTIES**

7 **SEC. 301. SOFT MONEY OF POLITICAL PARTIES.**

8 Title III of FECA (2 U.S.C. 301 et seq.) is amended
 9 by adding at the end the following:

10 **“SEC. 324. SOFT MONEY OF POLITICAL PARTIES.**

11 “(a) NATIONAL COMMITTEES.—A national commit-
 12 tee of a political party (including a national congressional
 13 campaign committee of a political party, an entity that
 14 is established, financed, maintained, or controlled by the
 15 national committee, a national congressional campaign
 16 committee of a political party, and an officer or agent of
 17 any such party or entity but not including an entity regu-
 18 lated under subsection (b)) shall not solicit or receive any
 19 contributions, donations, or transfers of funds, or spend
 20 any funds, not subject to the limitations, prohibitions, and
 21 reporting requirements of this Act.

22 “(b) STATE, DISTRICT, AND LOCAL COMMITTEES.—

23 “(1) LIMITATION.—Any amount that is ex-
 24 pended or disbursed by a State, district, or local
 25 committee of a political party (including an entity

1 that is established, financed, maintained, or con-
 2 trolled by a State, district, or local committee of a
 3 political party and an agent or officer of any such
 4 committee or entity) during a calendar year in which
 5 a Federal election is held, for any activity that might
 6 affect the outcome of a Federal election, including
 7 any voter registration or get-out-the-vote activity,
 8 any generic campaign activity, and any communica-
 9 tion that identifies a candidate (regardless of wheth-
 10 er a candidate for State or local office is also men-
 11 tioned or identified) shall be made from funds sub-
 12 ject to the limitations, prohibitions, and reporting
 13 requirements of this Act.

14 “(2) ACTIVITY NOT INCLUDED IN PARAGRAPH
 15 (1).—

16 “(A) IN GENERAL.—Paragraph (1) shall
 17 not apply to an expenditure or disbursement
 18 made by a State, district, or local committee of
 19 a political party for—

20 “(i) a contribution to a candidate for
 21 State or local office if the contribution is
 22 not designated or otherwise earmarked to
 23 pay for an activity described in paragraph
 24 (1);

1 “(ii) the costs of a State, district, or
2 local political convention;

3 “(iii) the non-Federal share of a
4 State, district, or local party committee’s
5 administrative and overhead expenses (but
6 not including the compensation in any
7 month of any individual who spends more
8 than 20 percent of the individual’s time on
9 activity during the month that may affect
10 the outcome of a Federal election) except
11 that for purposes of this paragraph, the
12 non-Federal share of a party committee’s
13 administrative and overhead expenses shall
14 be determined by applying the ratio of the
15 non-Federal disbursements to the total
16 Federal expenditures and non-Federal dis-
17 bursements made by the committee during
18 the previous presidential election year to
19 the committee’s administrative and over-
20 head expenses in the election year in ques-
21 tion;

22 “(iv) the costs of grassroots campaign
23 materials, including buttons, bumper stick-
24 ers, and yard signs that name or depict

1 only a candidate for State or local office;
 2 and

3 “(v) the cost of any campaign activity
 4 conducted solely on behalf of a clearly
 5 identified candidate for State or local of-
 6 fice, if the candidate activity is not an ac-
 7 tivity described in paragraph (1).

8 “(B) FUNDRAISING.—Any amount that is
 9 expended or disbursed by a national, State, dis-
 10 trict, or local committee, by an entity that is es-
 11 tablished, financed, maintained, or controlled by
 12 a State, district, or local committee of a politi-
 13 cal party, or by an agent or officer of any such
 14 committee or entity to raise funds that are
 15 used, in whole or in part, to pay the costs of
 16 an activity described in subparagraph (A) shall
 17 be made from funds subject to the limitations,
 18 prohibitions, and reporting requirements of this
 19 Act.

20 “(c) TAX-EXEMPT ORGANIZATIONS.—No national,
 21 State, district, or local committee of a political party shall
 22 solicit any funds for or make any donations to an organi-
 23 zation that is exempt from Federal taxation under section
 24 501(c) of the Internal Revenue Code of 1986.

25 “(d) CANDIDATES.—

1 “(1) IN GENERAL.—Except as provided in para-
 2 graph (2), no candidate, individual holding Federal
 3 office, or agent of a candidate or individual holding
 4 Federal office may—

5 “(A) solicit or receive funds in connection
 6 with an election for Federal office unless the
 7 funds are subject to the limitations, prohibi-
 8 tions, and reporting requirements of this Act;
 9 or

10 “(B) solicit or receive funds that are to be
 11 expended in connection with any election for
 12 other than a Federal election unless the
 13 funds—

14 “(i) are not in excess of the amounts
 15 permitted with respect to contributions to
 16 candidates and political committees under
 17 section 315(a) (1) and (2); and

18 “(ii) are not from sources prohibited
 19 by this Act from making contributions with
 20 respect to an election for Federal office.

21 “(2) EXCEPTION.—Paragraph (1) does not
 22 apply to the solicitation or receipt of funds by an in-
 23 dividual who is a candidate for a State or local office
 24 if the solicitation or receipt of funds is permitted

1 under State law for the individual's State or local
2 campaign committee.”

3 **SEC. 302. STATE PARTY GRASSROOTS FUNDS.**

4 (a) INDIVIDUAL CONTRIBUTIONS.—Section
5 315(a)(1) of FECA (2 U.S.C. 441a(a)(1)) is amended—

6 (1) in subparagraph (B) by striking “or” at the
7 end;

8 (2) by redesignating subparagraph (C) as sub-
9 paragraph (D); and

10 (3) by inserting after subparagraph (B) the fol-
11 lowing:

12 “(C) to—

13 “(i) a State Party Grassroots Fund estab-
14 lished and maintained by a State committee of
15 a political party in any calendar year which, in
16 the aggregate, exceed \$20,000; and

17 “(ii) any other political committee estab-
18 lished and maintained by a State committee of
19 a political party in any calendar year which, in
20 the aggregate, exceed \$5,000;

21 except that the aggregate contributions described in
22 this subparagraph that may be made by a person to
23 the State Party Grassroots Fund and all committees
24 of a State Committee of a political party in any

1 State in any calendar year shall not exceed \$20,000;
 2 or”.

3 (b) MULTICANDIDATE COMMITTEE CONTRIBUTIONS
 4 TO STATE PARTY.—Section 315(a)(2) of FECA (2 U.S.C.
 5 441a(a)(2)) is amended—

6 (1) in subparagraph (B), by striking “or” at
 7 the end;

8 (2) by redesignating subparagraph (C) as sub-
 9 paragraph (D); and

10 (3) by inserting after subparagraph (B) the fol-
 11 lowing:

12 “(C) to—

13 “(i) a State Party Grassroots Fund estab-
 14 lished and maintained by a State committee of
 15 a political party in any calendar year which in
 16 the aggregate, exceed \$15,000; and

17 “(ii) any other political committee estab-
 18 lished and maintained by a State committee of
 19 a political party which, in the aggregate, exceed
 20 \$5,000;

21 except that the aggregate contributions described in
 22 this subparagraph that may be made by a multican-
 23 didate political committee to the State Party Grass-
 24 roots Fund and all committees of a State Committee

1 of a political party in any State in any calendar year
 2 shall not exceed \$15,000; or”.

3 (c) OVERALL LIMIT.—

4 (1) IN GENERAL.—Section 315(a) of FECA (2
 5 U.S.C. 441a(a)) is amended by striking paragraph
 6 (3) and inserting the following:

7 “(3) OVERALL LIMIT.—

8 “(A) ELECTION CYCLE.—No individual
 9 shall make contributions during any election
 10 cycle that, in the aggregate, exceed \$60,000.

11 “(B) CALENDAR YEAR.—No individual
 12 shall make contributions during any calendar
 13 year—

14 “(i) to all candidates and their au-
 15 thorized political committees that, in the
 16 aggregate, exceed \$25,000; or

17 “(ii) to all political committees estab-
 18 lished and maintained by State committees
 19 of a political party that, in the aggregate,
 20 exceed \$20,000.

21 “(C) NONELECTION YEARS.—For purposes
 22 of subparagraph (B)(i), any contribution made

1 to a candidate or the candidate's authorized po-
 2 litical committees in a year other than the cal-
 3 endar year in which the election is held with re-
 4 spect to which the contribution is made shall be
 5 treated as being made during the calendar year
 6 in which the election is held.”

7 (2) DEFINITION.—Section 301 of FECA (2
 8 U.S.C. 431) is amended by adding at the end the
 9 following:

10 “(20) ELECTION CYCLE.—The term ‘election
 11 cycle’ means—

12 “(A) in the case of a candidate or the au-
 13 thorized committees of a candidate, the period
 14 beginning on the day after the date of the most
 15 recent general election for the specific office or
 16 seat that the candidate seeks and ending on the
 17 date of the next general election for that office
 18 or sea; and

19 “(B) in the case of all other persons, the
 20 period beginning on the first day following the
 21 date of the last general election and ending on
 22 the date of the next general election.”

23 (d) STATE PARTY GRASSROOTS FUNDS.—

1 (1) IN GENERAL.—Title III of FECA (2 U.S.C.
2 301 et seq.) (as amended by section 301) is amend-
3 ed by adding at the end the following:

4 **“SEC. 325. STATE PARTY GRASSROOTS FUNDS.**

5 “(a) DEFINITION.—In this section, the term ‘State
6 or local candidate committee’ means a committee estab-
7 lished, financed, maintained, or controlled by a candidate
8 for other than Federal office.

9 “(b) TRANSFERS.—Notwithstanding section
10 315(a)(4), no funds may be transferred by a State com-
11 mittee of a political party from its State Party Grassroots
12 Fund to any other State Party Grassroots Fund or to any
13 other political committee, except a transfer may be made
14 to a district or local committee of the same political party
15 in the same State if the district or local committee—

16 “(1) has established a separate segregated fund
17 for the purposes described in section 324(b)(1); and

18 “(2) uses the transferred funds solely for those
19 purposes.

20 “(c) AMOUNTS RECEIVED BY GRASSROOTS FUNDS
21 FROM STATE AND LOCAL CANDIDATE COMMITTEES.—

22 “(1) IN GENERAL.—Any amount received by a
23 State Party Grassroots Fund from a State or local
24 candidate committee for expenditures described in
25 section 324(b)(1) that are for the benefit of that

1 candidate shall be treated as meeting the require-
 2 ments of 324(b)(1) and section 304(d) if—

3 “(A) the amount is derived from funds
 4 which meet the requirements of this Act with
 5 respect to any limitation or prohibition as to
 6 source or dollar amount specified in section
 7 315(a) (1)(A) and (2)(A); and

8 “(B) the State or local candidate commit-
 9 tee—

10 “(i) maintains, in the account from
 11 which payment is made, records of the
 12 sources and amounts of funds for purposes
 13 of determining whether those requirements
 14 are met; and

15 “(ii) certifies that the requirements
 16 were met.

17 “(2) DETERMINATION OF COMPLIANCE.—For
 18 purposes of paragraph (1)(A), in determining wheth-
 19 er the funds transferred meet the requirements of
 20 this Act described in paragraph (1)(A)—

21 “(A) a State or local candidate commit-
 22 tee’s cash on hand shall be treated as consisting
 23 of the funds most recently received by the com-
 24 mittee; and

1 “(B) the committee must be able to dem-
 2 onstrate that its cash on hand contains funds
 3 meeting those requirements sufficient to cover
 4 the transferred funds.

5 “(3) REPORTING.—Notwithstanding paragraph
 6 (1), any State Party Grassroots Fund that receives
 7 a transfer described in paragraph (1) from a State
 8 or local candidate committee shall be required to
 9 meet the reporting requirements of this Act, and
 10 shall submit to the Commission all certifications re-
 11 ceived, with respect to receipt of the transfer from
 12 the candidate committee.”

13 (2) DEFINITION.—Section 301 of FECA (2
 14 U.S.C. 431) (as amended by subsection (c)(2)) is
 15 amended by adding at the end the following:

16 “(21) STATE PARTY GRASSROOTS FUND.—The
 17 term ‘State Party Grassroots Fund’ means a sepa-
 18 rate segregated fund established and maintained by
 19 a State committee of a political party solely for the
 20 purpose of making expenditures and other disburse-
 21 ments described in section 324(b).”

22 **SEC. 303. REPORTING REQUIREMENTS.**

23 (a) REPORTING REQUIREMENTS.—Section 304 of
 24 FECA (2 U.S.C. 434) is amended by adding at the end
 25 the following new subsection:

1 “(d) POLITICAL COMMITTEES.—(1) The national
2 committee of a political party, any congressional campaign
3 committee of a political party, and any subordinate com-
4 mittee of either, shall report all receipts and disburse-
5 ments during the reporting period, whether or not in con-
6 nection with an election for Federal office.

7 “(2) A political committee (not described in para-
8 graph (1)) to which section 324(b)(1) applies shall report
9 all receipts and disbursements.

10 “(3) Any political committee shall include in its re-
11 port under paragraph (1) or (2) the amount of any con-
12 tribution received by a national committee which is to be
13 transferred to a State committee for use directly (or pri-
14 marily to support) activities described in section 324(b)(2)
15 and shall itemize such amounts to the extent required by
16 subsection (b)(3)(A).

17 “(4) Any political committee to which paragraph (1)
18 or (2) does not apply shall report any receipts or disburse-
19 ments that are used in connection with a Federal election.

20 “(5) If a political committee has receipts or disburse-
21 ments to which this subsection applies from any person
22 aggregating in excess of \$200 for any calendar year, the
23 political committee shall separately itemize its reporting
24 for such person in the same manner as required in sub-
25 section (b) (3)(A), (5), or (6).

1 “(6) Reports required to be filed under this sub-
 2 section shall be filed for the same time periods required
 3 for political committees under subsection (a).”

4 (b) REPORT OF EXEMPT CONTRIBUTIONS.—Section
 5 301(8) of FECA (2 U.S.C. 431(8)) is amended by insert-
 6 ing at the end the following:

7 “(C) The exclusion provided in subpara-
 8 graph (B)(viii) shall not apply for purposes of
 9 any requirement to report contributions under
 10 this Act, and all such contributions aggregating
 11 in excess of \$200 shall be reported.”

12 (c) REPORTS BY STATE COMMITTEES.—Section 304
 13 of FECA (2 U.S.C. 434), as amended by subsection (a),
 14 is amended by adding at the end the following new sub-
 15 section:

16 “(e) FILING OF STATE REPORTS.—In lieu of any re-
 17 port required to be filed by this Act, the Commission may
 18 allow a State committee of a political party to file with
 19 the Commission a report required to be filed under State
 20 law if the Commission determines such reports contain
 21 substantially the same information.”

22 (d) OTHER REPORTING REQUIREMENTS.—

23 (1) AUTHORIZED COMMITTEES.—Section
 24 304(b)(4) of FECA (2 U.S.C. 434(b)(4)) is amend-
 25 ed—

1 (A) by striking “and” at the end of sub-
 2 paragraph (H);

3 (B) by inserting “and” at the end of sub-
 4 paragraph (I); and

5 (C) by adding at the end the following new
 6 subparagraph:

7 “(J) in the case of an authorized commit-
 8 tee, disbursements for the primary election, the
 9 general election, and any other election in which
 10 the candidate participates;”.

11 (2) NAMES AND ADDRESSES.—Section
 12 304(b)(5)(A) of FECA (2 U.S.C. 434(b)(5)(A)) is
 13 amended—

14 (A) by striking “within the calendar year”;
 15 and

16 (B) by inserting “, and the election to
 17 which the operating expenditure relates” after
 18 “operating expenditure”.

19 **TITLE IV—PROHIBITION OF CON-**
 20 **TRIBUTIONS BY INDIVIDUALS**
 21 **INELIGIBLE TO VOTE**

22 **SEC. 401. PROHIBITION OF CONTRIBUTIONS BY INDIVID-**
 23 **UALS INELIGIBLE TO VOTE.**

24 (a) PROHIBITION.—Section 319 of the Federal Elec-
 25 tion Campaign Act of 1971 (2 U.S.C. 441e) is amended—

1 (1) in the heading by adding “AND INDIVID-
 2 UALS NOT QUALIFIED TO REGISTER TO
 3 VOTE” at the end; and

4 (2) in subsection (a)—

5 (A) by striking “(a) It shall” and inserting
 6 the following:

7 “(a) PROHIBITIONS.—

8 “(1) FOREIGN NATIONALS.—It shall”; and

9 (B) by adding at the end the following:

10 “(2) INDIVIDUALS NOT QUALIFIED TO VOTE.—

11 It shall be unlawful for an individual who is not
 12 qualified to register to vote in a Federal election to
 13 make a contribution, or to promise expressly or
 14 impliedly to make a contribution, in connection with
 15 a Federal election; or for any person to solicit, ac-
 16 cept, or receive a contribution in connection with a
 17 Federal election from an individual who is not quali-
 18 fied to register to vote in a Federal election.”.

19 (b) INCLUSION IN DEFINITION OF IDENTIFICA-
 20 TION.—Section 301(13) of the Federal Election Campaign
 21 Act of 1971 (2 U.S.C. 431(13)) is amended—

22 (1) in subparagraph (A)—

23 (A) by striking “and” the first place it ap-
 24 pears; and

1 (B) by inserting “, and an affirmation that
2 the individual is an individual who is not pro-
3 hibited by section 319 from making a contribu-
4 tion” after “employer”; and

5 (2) in subparagraph (B) by inserting “and an
6 affirmation that the person is a person that is not
7 prohibited by section 319 from making a contribu-
8 tion” after “such person”.

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